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The effect of a nonlinear regression term on the behavior of the standard analysis of covariance (ANCOVA) F test was investigated for balanced and randomized designs through a Monte Carlo study. The results indicate that the use of the standard analysis of covariance model when a quadratic term is present has little effect on Type I error rates but produces a substantial power loss compared to theoretically expected values, often in excess of 20%. The extent of the power loss depends on the magnitude of the regression parameter associated with the nonlinear term. This finding appears consistently for varying numbers of groups and sample sizes and for various distributions. These results highlight the importance of plotting data and checking for nonlinearity prior to employing the standard analysis of covariance F test. (Contains 2 tables and 22 references.) (Author/SLD)

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An Investigation of the Effect of Nonlinearity of Regression on the ANCOVA F Test

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Abstract

The effect of a nonlinear regression term on the behavior of the standard analysis of covariance F test was investigated for balanced and randomized designs. The results indicated that the use of the standard analysis of covariance model when a quadratic term is present has little effect on Type I error rates but produces a substantial power loss compared to theoretically expected values, often in excess of 20%. The extent of the power loss depends on the magnitude of the regression parameter associated with the nonlinear term. This finding appeared consistently for varying numbers of groups and sample sizes, and for various distributions. These results highlight the importance of plotting data and checking for nonlinearity prior to employing the standard analysis of covariance F test.

Analysis of covariance (ANCOVA) is a popular procedure for testing the equality of t independent population means that have been adjusted for the effects of one or more covariates. The standard fixed-effects, single-factor, linear ANCOVA model with one covariate (X) can be written:

$$Y_{ij} = \mu_i + \tau_j + \beta(X_{ij} - \mu_{.i}) + \varepsilon_{ij}, \quad i=1, \dots, t; j=1, \dots, n \quad (1)$$

where Y_{ij} is the score of the j th subject in the i th group on the dependent variable Y , $\tau_j = \mu_{.j} - \mu_{..}$ is the difference between the j th population mean on Y and the grand population mean $\mu_{..}$, β is the slope and is assumed to be the same both within- and between-groups (i.e., $\beta_{ij} = \beta$ for all i, j), $X_{ij} - \mu_{.i}$ represents deviations of covariate scores about the grand X mean, and ε_{ij} represents errors. Equation (1) can be extended to the case of two or more covariates and to factorial designs (see Kirk, 1995, chpt. 15, and Maxwell, Delaney, & McDaniel, 1988). For hypothesis testing, it is assumed that the $\varepsilon_{ij} \sim \text{iid } N(0, \sigma^2)$. The covariate is also assumed to be fixed and measured without error, although Rogosa (1980), among others, has pointed out that X can, with some restrictions on generalizability of results, serve as a covariate if it is a random variable. Elashoff (1969) indicated that random assignment of subjects to treatments and independence of X and the treatment variable are necessary for the results to be meaningfully interpreted.

An implication of equation (1) is that the X, Y relationship is linear, meaning that Y varies linearly with X or, more formally, that the conditional mean of Y is a linear function of X both within- and between-groups. Nonlinearity of regression means that the regression of Y on X cannot be modeled with the usual linear model, and would be indicated if a plot of the Y observations or the residuals from a fitted linear model against the X values showed a nonlinear shape (e.g., quadratic). This may mean that only a nonlinear term is needed in equation (1) or that both linear and nonlinear terms are needed. The models considered in this paper are linear-in-the-parameters (Draper & Smith, 1981, p. 10); nonlinearity here refers to a polynomial regression in which X is raised to an integer other than one.

How does nonlinearity affect the standard ANCOVA F test?

Cochran (1957) stated that as long as the design was randomized, interpretations of tests of significance are not seriously affected even if the fitted regression is incorrect, although the precision would likely increase if the correct regression form was fitted. Other authors have been less optimistic. Elashoff (1969) noted that the nature of the relationship between X and Y must be known for the adjustment to be appropriate, and that an incorrect adjustment, such as would arise by assuming a linear relationship when nonlinearity held, would mean that assumptions about the residuals (e.g., normality, homoscedasticity) would be unlikely to hold. This would also make interpreting the adjusted scores difficult. Stevens (1986, p. 298) echoed this concern over incorrect adjustment.

Baker (1972) pointed out that the use of the incorrect regression form with a nonrandomized design in which the X values may vary greatly across treatments will produce heteroscedastic errors because the adjustment $\beta(X_i - \bar{X})$ will lead to unequal variances and reduced power. Huitema (1980, p. 116) indicated that nonlinearity will generally produce X, Y (group) correlations that will be too small and result in an under-adjustment of the error sum of squares (SSE) and reduced power. Hays (1973, p. 658) also indicated that the power of the standard ANCOVA F test would be depressed in the presence of nonlinearity.

The conclusion that the effect of nonlinearity is to depress the power of the F test can be understood by considering equation (1) and assuming homogeneity of regression, normality, and equal variances. The effect of a nonlinear term manifests itself in the standard deviation of Y . Suppose that equation (1) was assumed to be the underlying model but the true model also contained a quadratic term (e.g., X^2). The expression for σ_y^2 for the model containing a nonlinear term will be the same as that for equation (1) except for the contribution of the X^2 term, which will have the effect of increasing the Y variance. This means that the standard deviation of Y for each group will be larger than it should be, reducing the group X, Y correlations, which will in turn reduce the value of the pooled within-group correlation. This will result in an under-adjustment of the SSE and a denominator for the F test which will be too large (assuming equation 1 is the true model). The sum of squares total (SST) will also be under-adjusted because the across-groups

standard deviation of Y will increase. The analytic results of Atiqullah (1964) for the null case demonstrated that, under certain conditions, the presence of a quadratic term when equation (1) is assumed produces a biased estimate of the treatment effect.

Another consequence of assuming equation (1) when nonlinearity (e.g., a quadratic term) is present manifests itself through the error degrees of freedom (df) of the ANCOVA F test. For example, for $t = 2$ and $n = 10$, equation (1) would lead to 17 error degrees of freedom, rather than 16 (accounting for X and X^2). This means that assuming equation (1) when equation (2) holds results in a critical F value that will be smaller than it should be and produce an inflated Type I error rate.

Thus, applying the standard ANCOVA F test to data showing a nonlinear relationship can affect the analysis, particularly power, and possibly lead to incorrect conclusions being drawn. However, detailed information about the effect of nonlinearity on the F test for various conditions (e.g., magnitude of power loss as the magnitude of the nonlinear term increases) is lacking.

How prevalent are nonlinear regressions?

Since a nonlinear regression can affect the standard ANCOVA F test, it seems natural to ask how prevalent nonlinearity appears to be in behavioral science research. Few authors have detailed the possible effects of nonlinearity or the possibility that nonlinearity may be present (Cochran, 1983, chpt. 6 and Elashoff, 1969 are notable exceptions). Instead, there seems to be a consensus that it is not much of a problem, as indicated by the oft-cited conclusion that X , Y relationships are rarely seriously nonlinear. Huitema's (1980, p. 116) comment captures this perspective: "The number of studies in which nonlinearity is a problem does not appear to be great in most areas of the behavioral and social sciences." Similarly, Maxwell and Delaney (1990, p. 390) state that "However, in most behavioral science research, the linear relationship between X and Y accounts for the vast majority of the variability in Y that is associated with X ." Kennedy and Bush (1985, pp. 393-394), Glass and Hopkins (1984, p. 504) and others offer similar statements. Yet none of these authors provide convincing evidence to support this conclusion.

Unfortunately, published ANCOVA analyses rarely (if ever) include tests of nonlinearity, and, thus, there is no way to empirically estimate what percentage of such analyses show nonlinear regressions. It is interesting that a number of introductory statistics textbooks that describe ANCOVA use exercises in which the data show evidence of nonlinearity (e.g., Glass & Hopkins, 1984; Keppel, 1991; Kirk, 1995), although, in fairness to these texts, the exercises involve quite small samples. Still, as noted by Huitema (1980, chpt. 9), it is possible to imagine a number of experimental settings in which nonlinearity occurs.

For example, the relationship between X = extroversion and Y = sales performance would (according to Huitema) likely be nonlinear because salespeople with quite low extroversion scores would be expected to have difficulty interacting with potential buyers, whereas salespeople with quite high extroversion scores may be viewed as being too social. Both extremes might lead to poor sales performance, whereas salespeople scoring in the middle of the extroversion scale might be expected to have higher sales. Graphically, this would produce a quadratic relationship.

As a slight variation of the above example, suppose that Y = likelihood of recidivism and X = prior number of arrests in a study of juvenile recidivism. It is entirely possible that a plot of these data would show an upward linear trend until a certain X value was reached, beyond which the likelihood of recidivistic behavior does not change much (i.e., flattens out). The overall plot would show a quadratic trend.

Huitema also noted that nonlinearity can arise because of scaling problems in the X and Y variables in that the observed X , Y relationship may, because of scaling error, show nonlinearity even though their relationship in the population is linear. According to Huitema, scaling error problems are often associated with so-called ceiling and floor effects (see Huitema, 1980, p. 176 for examples).

Options for researchers when nonlinearity is present

It is possible to test for nonlinearity (Maxwell & Delaney, 1990, pp. 390-1391), but this works best when researchers have some idea of the form of the nonlinearity, a determination made more difficult by the modest amount of data often available for inspection in ANCOVA (Harwell, 1991). Moreover, tests for nonlinearity are themselves subject to Type I and II errors. Researchers faced with nonlinearity may also try

to transform the data in the hope of producing an approximately linear relationship that will allow standard ANCOVA to be applied. If the nonlinear X, Y relationship is monotonic, a simple transformation of X may be sufficient; if the relationship is nonlinear and nonmonotonic both X and Y need to be transformed (Huitema, 1980, p. 177). The catch, as pointed out by Maxwell, Delaney, and Dil (1984), is that the form of the nonlinearity is often not clear from inspection of the data, complicating the selection of an appropriate transformation. Alternatively, the covariate could be used to generate a blocking variable or the nonlinear term could be incorporated into the ANCOVA, for example, quadratic ANCOVA (Huitema, 1980, chpt. 9).

Another option is to hope that the ANCOVA F test is robust to nonlinearity of the X, Y regression. Surprisingly, the ANCOVA literature has relatively little coverage of the consequences when the X, Y regression is nonlinear. Two exceptions are Atiqullah (1964), who used analytic methods to investigate the effect of nonlinearity, and Rubin (1973), who used analytic methods to study the effects of models that were nonlinear-in-the-parameters and involved nonrandomized designs. Following Atiqullah (1964), this study is limited to linear-in-the-parameters models and randomized designs.

Review of the Literature

Atiqullah's findings

Atiqullah's (1964) investigation of the effect of nonlinearity on the ANCOVA F test in the null case treated the $t = 2$ and $t > 2$ cases separately. Assuming a randomized and balanced design ($n_1 = n_2 = n$), $\epsilon_i \sim \text{iid } N(0, \sigma^2)$, independent X_i , and a common β , Atiqullah considered the model:

$$Y_i = \mu + \tau_i + \beta(X_i - \bar{X}) + \phi(X_i - \bar{X})^2 + \epsilon_i \quad (2)$$

where ϕ is the regression parameter associated with the nonlinear component. Of course, equation (2) is only one of many possible representations of nonlinearity.

Under equation (1) and $t = 2$, $E(\hat{\tau}_1 - \hat{\tau}_2) = \tau_1 - \tau_2$. However, for equation (2) and $t = 2$, Atiqullah reported that the estimated treatment effect from the standard ANCOVA model is biased:

$$E(\hat{\tau}_1 - \hat{\tau}_2) = \tau_1 - \tau_2 + \phi (W_{11} - W_{22})[(t-1)^{-1} - (\bar{X}_1 - \bar{X}_2)W_2^{-1}] - \phi W_3 W_2^{-1}, \quad (3)$$

$$W_{11} = \sum_i (X_{i1} - \bar{X}_1)^2, W_{22} = \sum_i (X_{i2} - \bar{X}_2)^2, W_2 = \hat{W}_{11} + W_{22}, \text{ and } W_3 = \sum_i \sum_i (X_{i1} - \bar{X}_1)^3$$

Atiqullah stated that if the X_i are sampled from the same normal distribution, equation (3) reduces to $\tau_1 - \tau_2$ since $W_{11} = W_{22}$ and $W_3 = 0$ under these conditions. For a skewed X distribution, $W_{11} = W_{22}$ but $W_3 \neq 0$, which will produce a biased estimate of the treatment effect. Cochran (1983, pp. 113-114) presented similar findings of the effect of nonlinearity for $t = 2$. Atiqullah also reported that for $t > 2$, the bias in the estimated treatment effect remains even if the X observations share a common normal distribution unless ϕ is small. Thus, a nonlinear regression will result in a biased treatment effect for $t > 2$ that depends heavily on ϕ , a result that is consistent with that of Ramsay (1969). It should be noted that Atiqullah's findings, which did not cover the power case, were criticized by Elashoff (1969) for their reliance on t going to infinity.

Method

Under-adjustment of the sums of squares

Several authors have pointed out that employing the standard ANCOVA model when equation (2) is the true model leads to an under-adjustment of the sums of squares (e.g., Hays, 1973; Huitema, 1980). Exploring the under-adjustment provides guidance in evaluating the effect of the nonlinear term and in designing a Monte Carlo study for the ANCOVA F test (described below).

To illustrate the under-adjustment, consider an analysis for $t = 2$ that assumes equation (1) is correct when equation (2) is the true model. Atiqullah's findings for the null case for $\phi > 0$ indicate that the ratio of the mean square between adjusted (MSB^{adj}) and the mean square error adjusted (MSE^{adj}) will be close to one for a normally-distributed X . The under-adjustment depends heavily on σ^2_v and its effect on the pooled within-groups correlation (ρ_w) and the total across-groups correlation (ρ_t). Typically, σ^2_v will be too large for $\phi > 0$, producing ρ_w and ρ_t values that will be too small.

Information about the magnitude of the under-adjustment can be obtained by computing the $\rho_{y,d}$

group correlations (used to compute ρ_w), where $Y = \beta d + \phi d^2 + \epsilon$, $d = (X - \bar{X})$, and assuming that X is a standard-normal variate. If it is further assumed that the group sums of squares for X (SSX) used to compute ρ_w are virtually identical (i.e., each would be approximately equal to $n - 1$), the Y, d correlations for each group would be similar to ρ_w (i.e., $\rho_{y,d} \approx \rho_w$) as long as σ_y^2 was similar in value within-groups (i.e., σ_y^2 is the same for group 1 as group 2, which is implied under homogeneity of variance) and across-groups. Then $\rho_{y,d}^2$ has the form

$$\rho_{y,d}^2 = \frac{(\text{Cov}(y,d))^2}{\sigma_y^2 \sigma_d^2} = \frac{\beta^2}{\beta^2 + 2\phi^2 + 1} \quad (4)$$

where $\sigma_y^2 = \beta d + \phi d^2 + \epsilon$, $\sigma_\epsilon^2 = 1$, and $\sigma_d^2 = 2$. Suppose that X is random, $n = 10$, $\beta = .4$, and that assumptions of normality, homogeneity of slopes, and equal variances hold. If equation (1) is the true model, each group Y, d correlation (using equation 4 with $\phi = 0$) is .3714. However, if equation (2) holds, $\rho_w = .3529$ if $\phi = .25$; $\rho_w = .3105$ for $\phi = .5$; and $\rho_w = .2734$ for $\phi = .7$.

Effect on MSE^{adj}. The (approximate) expression $\text{MSE}^{\text{adj}} = (1 - \rho_w^2) \sigma_y^2$, where σ_y^2 equals 1.16 under equation (1) and the above conditions, makes it possible to (roughly) estimate the magnitude of the under-adjustment of MSE^{adj} as a function of ϕ . Here, $\text{MSE}^{\text{adj}} = (1 - .3714^2)(1.16) = 1$ under equation (1) but increases to 1.12 for $\phi = .25$, meaning that MSE^{adj} is 12% larger than it would be under equation (1); for $\phi = .5$, $\text{MSE}^{\text{adj}} = 1.5$ which is 50% larger than it would be under equation (1); for $\phi = .7$, MSE^{adj} is 1.98 or almost twice as large as it would be under equation (1). These values will be the same for the null and power cases.

Effect on MSB^{adj}. The effect of $\phi > 0$ on the adjusted sum of squares total (SST^{adj}) and, hence, the adjusted sum of squares between (SSB^{adj}), depends heavily on the relationship between ρ_T (total across-groups correlation) and ρ_w . Assuming the null case, σ_y^2 would be larger than it would be if equation (1) was the true model in both the across- and within-groups cases (In the null case, $\rho_w = \rho_T$ (Kirk, 1995, p.

717)). Other things being equal, ρ_w and ρ_t will shrink at the same rate as ϕ increases, resulting in a MSB^{adj} that will be too large. However, the MSB^{adj} and MSE^{adj} terms should increase at about the same rate as ϕ increases, which should have the effect of keeping estimated Type I error rates near α in the null case. That is, the effect of increasing ϕ on σ_y^2 should be approximately the same within- and across-groups, so that SST, SSE, and SSB would all be under-adjusted.

The effect of $\phi > 0$ in the power case also produces an under-adjustment of SSB. For example, suppose that $\phi = .25$, $t = 2$, and that each Y observation in group one has the same constant added to it so that $\mu_1 > \mu_2$. The result is that $\rho_t < \rho_w$, producing a SSB^{adj} that is larger than it would be for the $\phi = 0$ case. However, this does not lead to a gain in power, because, for a fixed noncentrality pattern, increasing ϕ (e.g., .5, .7) results in a faster rate of under-adjustment of SSE than of SSB (i.e., compared to the $\phi = 0$ case, ρ_w decreases faster than ρ_t as ϕ increases in the power case, meaning that the denominator of the F ratio increases faster than the numerator as ϕ increases).

As an empirical example, consider the $n = 10$, $t = 2$, and X normally-distributed case again. Here, $\sigma_y^2 = 1.16$ for $\phi = 0$ and the average MSB^{adj} and MSE^{adj} terms across 20,000 computed-generated samples in the power case were 7.87 and 1.002, respectively. For these same conditions, $\phi = .25$, the average MSB^{adj} increased to 7.97 (an increase of $7.97/7.87 = 1\%$) compared to the average MSE^{adj} increase of 11%; for $\phi = .5$ and $\sigma_y^2 = 1.66$, the average MSB^{adj} increased 6% ($8.31/7.87$) compared to 46% for the average MSE^{adj} ; for $\phi = .7$ the average MSB^{adj} increased 10% compared to 86% for the average MSE^{adj} . The net effect is a power loss that worsens as ϕ increases.

In short, assuming equation (1) but analyzing data for which the true model is equation (2) produces MSE^{adj} and MSB^{adj} terms that are too large in approximately the same proportion in the null case. In the power case, increasing ϕ dampens power.

Use of the wrong error degrees of freedom

Another factor that will affect the F test is also the result of assuming equation (1) when equation (2) is the correct model. In computing MSE^{*q} , the error degrees of freedom from equation (1) are $N-t-1$, rather than those associated with equation (2), $N-t-2$. For example, for $t = 2$ and $n = 10$, the SSE^{*q} would be divided by 17 even though the true model has 16 error degrees of freedom. Thus, MSE^{*q} will be slightly larger than it would be if equation (1) was the true model. (For larger sample sizes this discrepancy will be negligible). This will contribute to the dampening of power for the $\phi > 0$ case.

As noted earlier, several authors have indicated that the effect of a nonlinear term will be an under-adjustment of the sums of squares. However, none provided detailed information of the magnitude of the power loss of the ANCOVA F test, especially for nonnormal distributions. A Monte Carlo study was used to investigate the behavior of the fixed-effects, single factor ANCOVA F test for various distributions and ϕ values.

Simulation factors

Following the suggestion of Hoaglin and Andrews (1975) that Monte Carlo studies be treated as statistical sampling experiments subject to the same principles as empirical studies, a fully-crossed, completely between-subjects factorial design was employed. The independent variables were (a) Number of groups ($t = 2, 4, 6, 10$), (b) Magnitude of the (standardized) nonlinear regression parameter ($\phi = .25, .50, .70$), (c) X distribution (γ_1 (skewness) = γ_2 (kurtosis) = 0 = normal; $\gamma_1 = 1, \gamma_2 = 3$; $\gamma_1 = 2, \gamma_2 = 6$), and (d) ϵ distribution ($\gamma_1 = \gamma_2 = 0$; $\gamma_1 = 1, \gamma_2 = 3$; $\gamma_1 = 2, \gamma_2 = 6$). For most cases, $n = 10$ was used because it is a common group sample size in ANCOVA (Harwell, 1991), but additional computer runs were done using $n = 20, 100$, and 200 ($\Sigma n = N$). Of course, inferences from the results of the simulation are only applicable to the conditions modeled.

The ϕ values were selected on the basis of the (approximate) explained variance (R^2) attributable to the nonlinear component (i.e., magnitude of the contribution of the nonlinear term). Assuming equation (2) with $\beta = .4$, a normally-distributed X, and that all variables are represented in a standardized form, the explained

variance can be expressed (approximately) as a difference in R^2 terms between the model containing the simple linear component and the model containing both linear and nonlinear terms:

$$R^2_{\text{linear}} = SST^{-1} SS_{\text{Regression}}(\text{linear}), \quad (5)$$

where

$$SST = \sigma^2_y (N-1) = \sigma^2 (\beta d + \varepsilon) = [(.4^2)(1) + 1](N-1) = 1.16$$

$$SS_{\text{Regression}}(\text{linear}) = \beta^2 SSX = \beta^2 (N-1),$$

and

$$\begin{aligned} R^2_{\text{linear} + \text{nonlinear}} &= SST^{-1} SS_{\text{Regression}}(\text{linear} + \text{nonlinear}) \\ &= [(\beta^2 + 2\phi^2 + 1)(N-1)]^{-1} \left[(\beta \phi) (N-1) \sum_{\alpha} \phi \right] \end{aligned}$$

where $\sum_{\alpha}$ is the covariance matrix of $(X - \bar{X})$ and $(X - \bar{X})^2$. Letting $d^2 = (X - \bar{X})^2$, the elements of $\sum_{\alpha}$ are

$$\sum_{\alpha} = \begin{bmatrix} \sigma^2(d) & \sigma(d, d^2) \\ \sigma(d, d^2) & \sigma^2(d^2) \end{bmatrix} \quad (6)$$

where

$$\sigma^2(d) = 1 \quad (7)$$

$$\sigma^2(d^2) = 2$$

$$\sigma(d, d^2) = \rho_{d, d^2} \sigma(d) \sigma(d^2) = \rho_{d, d^2} 2^{1/2}$$

where ρ_{d, d^2} is the correlation between d and d^2 and equals zero. Suppose that $\phi = .25$ and $\beta = .40$. The R^2 terms are then

$$R^2_{\text{linear}} = (1.16)^{-1} (.4^2) = .14 \quad (8)$$

For the model containing both linear and nonlinear terms,

$$R^2_{\text{linear} + \text{nonlinear}} = (1.29)^{-1} (.29) = .22$$

where $\sigma^2 (\beta d + \phi d^2 + \varepsilon) = [(.4^2)(1) + (.25^2)(2) + 1] = 1.29$. Hence, $R^2_{\text{linear} + \text{nonlinear}}$ is approximately .22, so $R^2_{\text{nonlinear}} = .22 - .14 = .08$ for $\phi = .25$; for $\phi = .5$, $R^2_{\text{nonlinear}} = .4 - .14 = .26$; for $\phi = .7$, $R^2_{\text{nonlinear}} = .53 - .14 = .39$. The ϕ values represent a range of explained variance values associated with the nonlinear term. Other things being equal,

larger R^2_{adjusted} values should have a more pronounced dampening effect on the power of the F test. The X distribution was varied to include the normal case (for which Atiqullah's results state that the effect of nonlinearity is negligible for $t = 2$) and two nonnormal X distributions. The ϵ distributions were selected for similar reasons.

For the Type I error case all population means were equal; for the power case, noncentrality parameter values (Δ) were computed using the procedure in Keppel (1991, chpt. 4). These values were chosen to generate a power of .70 for each t for a given sample size for the all-assumptions-satisfied case and $\phi = 0$. The noncentrality pattern produced maximum dispersion among the means with half of the group means set equal to zero and the other half equal in value but not equal to zero.

A locally-written FORTRAN IV computer program was used to perform the simulation, supplemented by routines in Press, Flannery, Teukolsky, and Vetterling (1986). Fleishman's (1978) procedure was used to generate nonnormal variates, with all variables expressed in a standardized form with mean = 0 and variance = 1. Specifically, the X and ϵ_i deviates were generated such that the desired distributional form was obtained. In all cases, the X and ϵ_i deviates were independent but shared a common distribution. Then equation (2) was used to induce nonlinearity of regression.

The steps in the simulation were as follows: (a) An $N \times 2$ (X, ϵ) matrix of standard-normal deviates was generated using the Box and Muller (1958) method. (b) Fleishman's method was used to create nonnormal variates. (c) Equation (2) was used to generate Y scores. (d) Δ was added to the Y scores for subjects in group 1 for $t = 2$, to the Y scores in groups 1 and 2 for $t = 4$, to the Y scores in groups 1-3 for $t = 6$, and to the Y scores in groups 1-5 for $t = 10$. (e) The standard ANCOVA F test was computed for the simulated data and compared to critical F values for $\alpha = .01, .05$, and $.10$ using the error degrees of freedom associated with equation (1). (f) Steps (a) - (d) were repeated 20,000 times (20,000 was chosen to minimize sampling error in the estimated Type I error and power rates). If the population means were equal the proportion of rejections across the 20,000 samples represented an estimated Type I error rate; if these means differed the proportion of rejections represented an estimated power value. Additional runs were done to

investigate the effect of larger sample sizes.

Results

Adequacy of the simulation program

The adequacy of the simulation program was assessed in three ways. First, data from a fully-worked ANCOVA problem in Kirk (1995, p. 720) were submitted to the computer program. The program reproduced the results reported in Kirk. Second, the estimated Type I error rate and power value for the $\phi = 0$ case when X and ϵ were normally-distributed were compared to the theoretically expected values for $n = 10$ and $t = 2$. For $\alpha = .05$ and a theoretical power of .70, the estimated Type I error rate and power were .049 and .691, respectively; for $t = 10$, the estimated Type I error rate and power were .050 and .72, respectively. Results for other values of t and for $n = 20, 100$, and 200 were quite similar, suggesting that the estimated proportions of rejections were good estimates of the true Type I error rates and power values.

To check how closely the simulated data matched the specified distribution, the average skewness and kurtosis values were computed across 20,000 samples for various conditions. For $t = 2$ and $n = 10$, the sample mean, standard deviation, skewness, and kurtosis (averaged across the two groups) for a normally-distributed X were .001, 1.01, .003, and .002, respectively; for a normally-distributed ϵ these statistics were .001, .999, .001, and .003, respectively. For $t = 2$ and $n = 10$, the sample mean, standard deviation, skewness, and kurtosis (averaged across the two groups) for an exponential X were .002, .998, 1.99, and .591, respectively; for exponential ϵ these statistics were .001, 1.00, 2.01, and 6.06, respectively. Again, these statistics are quite close to the theoretically-expected values, and, combined with other evidence of the adequacy of the simulation, suggest that the computer program behaved as intended.

Summary of Type I Error Findings

The pattern of findings was similar for the three levels of significance and only the $\alpha = .05$ results are reported. Similarly, the findings for the $\gamma_1 = 1, \gamma_2 = 3$ distribution produced the same pattern as the other

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distributions and are not reported. To take the sampling error associated with estimated Type I errors into account, a sampling error range was established. Estimated error rates outside the range $.05 \pm 1.96[(.05)(.95)/20,000]^{1/2} = .053$ and $.047$ were considered to be inflated or conservative, respectively. Estimated Type I error values for $t = 2$ are reported in Table I, and the $t > 2$ results are reported in Table II.

The estimated Type I error results reported in Table I for the $\phi = 0$ case provide a baseline (i.e., equation 1 is the correct model) against which the effects of $\phi > 0$ can be compared. As predicted by Atiqullah's findings, the results for a normally-distributed X produced estimated Type error rates very close to .05 for $\phi > 0$. Expressed another way, the estimated treatment effect given by Atiqullah for the null case (equation 3), $t = 2$, and a normally-distributed X , was approximately equal to zero for the empirical samples reported above.

Atiqullah's findings for $t = 2$ and a skewed X distribution did not emerge strongly in Table I. Recall that Atiqullah's results indicated that a nonnormal X would produce a biased estimate of the treatment effect. The effect of the skewed X distribution is represented in the latter part of equation (3), specifically, the W_1 term, which for a skewed X is not zero and leads to a biased MSB^{*b} . However, there was no substantial difference in estimated error rates regardless of whether X was normally-distributed or skewed.

A similar pattern emerged for $t > 2$. On the whole, the skewed X case did produce more conservative Type I error rates than when X was normally-distributed, especially for $t > 2$. Still, for $\phi > 0$, the dominant factor seems to be the value of ϕ , not the distribution of X . This result is consistent with Atiqullah's conclusion that the magnitude of ϕ plays a key role in biasing the F test.

Summary of Power Findings

The effect of ϕ manifested itself most clearly on the power of the ANCOVA F test. Estimated power values are reported in Table I for $t = 2$ and in Table II for $t > 2$. The results indicate a downward slide in power as ϕ increases. The loss of power compared to the theoretical power value of .70 for $\phi = .25, .5$, and

.7 for $n = 10$, $t = 2$, and X normally-distributed (Table I) was 6%, 20%, and 32%, respectively. In fact, the overall average declines in power for $\phi = .25$, .5, and .7 and normal distributions were 8%, 25%, and 37%. These values are similar to the R^2_{revised} values associated with $\phi = .25$, .5, and .7. An additional analysis was done to examine the relationship between increase ϕ (in units of .01) and power. Under these conditions, the relationship between power and R^2_{revised} (through ϕ) was roughly (negative) linear in the range of ϕ values modeled. Thus, an increase in ϕ of .01 in this range was associated with a 1 to 1.5% power decline (compared to the theoretical power under equation 1). This pattern is consistent with earlier results that power declines as ϕ increases, and was not sensitive to t or the X and ϵ distributions, only to ϕ .

These results illustrate the substantial power loss associated with assuming equation (1) underlies the data when the true model is equation (2). Although these results are predicated on the nonlinearity being defined through a quadratic term, there is little reason to believe that higher-order models would produce more favorable results. In fact, the effects on the F test would probably be even more pronounced if, for example, equation (2) included a cubic term. This would occur because, for a cubic model, d and d' would not be uncorrelated (as d and d^2 are), so that there would be an additional term in the numerator of ρ_{d} term that was not present for the d^2 model. For example, under a cubic model, $\sigma^2_y = \beta^2 + 15\phi^2 + 6\beta\phi + 1$, which would likely produce even more severe under-adjustments in the sums of squares. Similar differences could accrue in the $E(\hat{\tau}_1 - \hat{\tau}_2)$ in equation (3), making the effects on power even more pronounced. A few additional computer runs for the $t = 2$ and $n = 10$ case supported this prediction.

Implications

The results of this study suggest that the effect of using the standard analysis of covariance F test when the assumption of linear regression is violated in the way modeled in this study can substantially depress power. The power loss appears to be closely related to the size of the regression parameter associated with the nonlinear component. The findings of this study provide information about the magnitude of the power

loss.

These results suggest that researchers would be wise to routinely plot the X and Y data for evidence of nonlinearity. If there is evidence of nonlinearity, it is necessary to try to transform the data to achieve a linear relationship before applying the standard analysis of covariance. Alternatively, an analysis of covariance (regression) model that incorporates nonlinear terms or a stratification of the covariate could be employed. Additional work in this area might focus on documenting the prevalence of nonlinearity in randomized studies in behavioral science settings in which ANCOVA is routinely applied and in the nonrandomized case.

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Table I
Estimated Type I Error Rates and Power Values for $t = 2$ Groups

Number of Groups	N	ϕ	X Distribution	ϵ Distribution	Ho True $\hat{\alpha}$	Ho False $\hat{\alpha}$
2	20	0	Normal	Normal	049	698
2	20	.25	Normal	Normal	054*	660
2	40	.25	Normal	Normal	051	638
2	200	.25	Normal	Normal	046+	649
2	400	.25	Normal	Normal	050	667
2	20	.50	Normal	Normal	049	559
2	40	.50	Normal	Normal	048	660
2	200	.50	Normal	Normal	053	526
2	400	.50	Normal	Normal	041+	558
2	20	.70	Normal	Normal	048	477
2	40	.70	Normal	Normal	049	443
2	200	.70	Normal	Normal	039+	409
2	400	.70	Normal	Normal	043+	454
2	20	0	Exp.	Exp.	043+	727
2	20	.25	Exp.	Exp.	044+	688
2	40	.25	Exp.	Exp.	049	643
2	200	.25	Exp.	Exp.	043+	610
2	400	.25	Exp.	Exp.	041+	625
2	20	.50	Exp.	Exp.	045+	602
2	40	.50	Exp.	Exp.	047	536
2	200	.50	Exp.	Exp.	043+	470
2	400	.50	Exp.	Exp.	060*	478
2	20	.70	Exp.	Exp.	047	528
2	40	.70	Exp.	Exp.	049	459
2	200	.70	Exp.	Exp.	046+	370
2	400	.70	Exp.	Exp.	060*	374

Note. ϕ represents the standardized regression coefficient associated with the quadratic regression term, $\hat{\alpha}$ represents the estimated Type I error rate if the null hypothesis H_0 is true and an estimate of power if H_0 is false across 20,000 samples. $\hat{\alpha}$ values above .053 were considered to be inflated and are indicated by a * and values less than .047 were considered to be conservative and ARE indicated by a +. Exp.= exponential distribution.

Table II
Estimated Type I Error Rates and Power Values for $t > 2$ Groups

Number of Groups	ϕ	X Distribution	ϵ Distribution	Ho True $\hat{\alpha}$	Ho False $\hat{\alpha}$
4	0	Normal	Normal	050	695
4	.25	Normal	Normal	052	650
4	.50	Normal	Normal	048	528
4	.70	Normal	Normal	046+	440
4	0	Exp.	Exp.	042+	715
4	.25	Exp.	Exp.	045+	667
4	.50	Exp.	Exp.	048	550
4	.70	Exp.	Exp.	044+	448
6	0	Normal	Normal	046+	699
6	.25	Normal	Normal	047	651
6	.50	Normal	Normal	045+	512
6	.70	Normal	Normal	047	419
6	0	Exp.	Exp.	045+	726
6	.25	Exp.	Exp.	047	633
6	.50	Exp.	Exp.	045+	507
6	.70	Exp.	Exp.	045+	407
10	0	Normal	Normal	053	708
10	.25	Normal	Normal	047	653
10	.50	Normal	Normal	044+	517
10	.70	Normal	Normal	048	397
10	0	Exp.	Exp.	048	730
10	.25	Exp.	Exp.	049	645
10	.50	Exp.	Exp.	043+	481
10	.70	Exp.	Exp.	041+	364

Note. Group sample size equaled 10 in all cases. ϕ represents the standardized regression coefficient associated with the quadratic regression term, $\hat{\alpha}$ represents the estimated Type I error rate if the null hypothesis Ho is true and an estimate of power if Ho is false across 20,000 samples. $\hat{\alpha}$ values above .053 were considered to be inflated and are indicated by a * and values less than .047 were considered to be conservative and ARE indicated by a +. Exp.= exponential distribution.